

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Annual Financial Statements**

**For the Year Ended  
June 30, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date **JAN 18 2012**

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## **Independent Auditor's Report**

The Honorable Rodney J. Strain, Jr.  
St. Tammany Parish Sheriff  
St. Tammany Parish, Louisiana

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2011, which collectively comprise the St. Tammany Parish Sheriff's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the St. Tammany Parish Sheriff's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish Sheriff, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 12, 2011, on our consideration of the St. Tammany Parish Sheriff's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The management's discussion and analysis on pages 4 through 9 and budgetary comparison information presented on pages 51 and 52 are not required parts of the basic financial statements, but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consist principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the St. Tammany Parish Sheriff's basic financial statements as a whole. The combining and individual fund financial statements are presented for the purpose of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements of the St. Tammany Parish Sheriff. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



A Professional Accounting Corporation

December 12, 2011

**REQUIRED SUPPLEMENTAL INFORMATION (PART I)**

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Management's Discussion and Analysis**

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As required by Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, the St. Tammany Parish Sheriff (the Sheriff) hereby presents the Management's Discussion and Analysis, which contains a narrative overview and analysis of the financial activities of the Sheriff for the year ended June 30, 2011. This document will be based upon currently known facts, decisions or conditions that management is aware of as of the date of the auditor's report.

**FINANCIAL HIGHLIGHTS**

- The assets of the Sheriff exceeded its liabilities (net assets) at the close of fiscal year 2011 by \$24,449,399, which is broken down as net investment in capital assets of \$22,689,018, restricted net assets of \$1,201,268 and unrestricted net assets of \$559,113.
- Revenues increased by \$2,044,046 compared to prior year's revenues.
- The Sheriff's governmental funds reported a total ending fund balance of \$17,149,784. This compares to the prior year ending fund balance of \$15,094,373, which is an increase of \$2,055,411.

Overall, the Sheriff continues to maintain a positive financial position. The above financial highlights are explained in more detail in the "financial analysis" section of this document.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This audit report consists of five parts: Management's Discussion and Analysis (this section), the basic financial statements, notes to the financial statements, required supplementary information, combining statements for non-major governmental funds and combining statements for fiduciary funds. The basic financial statements include two kinds of statements that present different views of the Sheriff:

- Government-Wide Financial Statements
- Fund Financial Statements

Also included in this report are fiduciary fund statements. These statements provide information about the financial relationships in which the Sheriff acts solely as a trustee or agent for the benefit of others. The financial statements also include notes that explain some of the data in the statements in a more detailed format.

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The annual report of the Sheriff includes two government-wide financial statements. These statements provide both long-term and short-term information about the overall financial status of the Sheriff. GASB Statement No. 34 has modified governmental financial reporting by implementing a model that uses accounting methods similar to private-sector companies. The basis of accounting used is accrual accounting.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Management's Discussion and Analysis**

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The two government-wide financial statements are as follows:

- *Statement of Net Assets* - This statement presents the current and long-term portions of assets and liabilities separately. The difference between total assets and total liabilities is net assets. Assessing net assets is one way to measure the Sheriff's financial health or position. Increases or decreases in net assets serve as useful indicators as to whether financial position as a whole is improving or deteriorating.
- *Statement of Activities* - This statement reports how the net assets of the Sheriff have changed during the current year. All current year revenues and expenses are included regardless of when the cash is received or paid. The purpose of the Statement of Activities is to demonstrate the financial reliance of the governmental-type activities or functions of the Sheriff on revenues provided by the taxpayers.

The government-wide financial statements present governmental-type activities of the Sheriff that are principally supported by a law enforcement property tax millage, a ¼ cent law enforcement district sales tax and an additional ¼ cent sales tax dedicated to jail expansion and operation. The sole purpose of these governmental activities is public safety.

**FUND FINANCIAL STATEMENTS**

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Sheriff, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Sheriff can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

1. *Governmental Funds* - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the Sheriff's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.



**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Management's Discussion and Analysis**

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The Sheriff maintains five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Jail Special Revenue Fund and Capital Projects Fund, all of which are considered to be major funds. Data from the other two governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

2. *Proprietary Funds* - The Sheriff maintains one proprietary fund, the Internal Service Fund. The Internal Service Fund is an accounting device used to accumulate and allocate costs internally among the Sheriff's various funds. The Sheriff uses the Internal Service Fund to account for its risk management self-insurance fund. Because this service benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.
3. *Fiduciary Funds* - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the Sheriff's own programs.

**NOTES TO FINANCIAL STATEMENTS**

The accompanying notes to the financial statements provide information essential to a full understanding of the government-wide and fund financial statements.

**OTHER INFORMATION**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information. This budgetary comparison information can be found directly after the notes to the financial statements.

The combining statements referred to earlier in connection with non-major governmental funds are presented immediately following the required supplementary information.

Also, combining statements regarding the Sheriff's agency funds can be found following the non-major fund financial statements.

**FINANCIAL ANALYSIS OF THE SHERIFF AS A WHOLE**

As shown on the Statement of Net Assets (see chart below), the Sheriff has \$22,689,018 invested in capital assets, net of related debt. These capital assets include items such as buildings, vehicles, furniture, fixtures and equipment.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Management's Discussion and Analysis**

	<b>FY 2011</b>	<b>FY 2010</b>
<b>Assets</b>		
Current Assets	<b>\$ 23,490,173</b>	<b>\$ 21,702,221</b>
Capital Assets, Net of Accumulated Depreciation	<b>23,359,018</b>	<b>23,720,511</b>
<b>Total Assets</b>	<b>46,849,191</b>	<b>45,422,732</b>
<b>Liabilities</b>		
Current Liabilities	<b>7,134,543</b>	<b>6,800,850</b>
Long-Term Liabilities Outstanding	<b>15,265,249</b>	<b>14,208,898</b>
<b>Total Liabilities</b>	<b>22,399,792</b>	<b>21,009,748</b>
<b>Net Assets</b>		
Invested in Capital Assets, Net of Related Debt	<b>22,689,018</b>	<b>22,385,511</b>
Restricted for:		
Crime Lab Expenditures	<b>1,201,268</b>	<b>923,532</b>
Unrestricted	<b>559,113</b>	<b>1,103,941</b>
<b>Total Net Assets</b>	<b>\$ 24,449,399</b>	<b>\$ 24,412,984</b>

In order to provide a better understanding of our financial statements, the non-current liabilities section of the Statement of Net Assets has been presented in three components, those being the Certificate of Indebtedness Payable, the Community Disaster Loan Payable, and Net Other Post-Employment Benefit Obligation. The amount invested in capital assets, net of related debt, represents 93% of total net assets. The second component of net assets is the restricted portion which accounts for the amount restricted for crime lab expenditures. The third component of net assets is the unrestricted portion. The Sheriff has \$559,113 in unrestricted net assets. These assets are not restricted to a particular program or purpose and are, therefore, available to the Sheriff to expend on current services and pay creditors.

The current ratio is a tool used to assess the ability of the Sheriff to pay or meet short-term obligations. The current ratio is equal to current assets divided by current liabilities.

$$\text{Current Ratio (Sheriff)} = \frac{\text{Current Assets}}{\text{Current Liabilities}} = \frac{\$ 23,490,173}{\$ 7,134,543}$$

Therefore, the current ratio for the year ended June 30, 2011, is 3.29 to 1.

The Sheriff's current ratio for June 30, 2010, was 3.19 to 1.

An important consideration for the Sheriff to determine is whether the net assets of his governmental activities are adequate to meet the cash flow needs of his department. To do this, the Sheriff focuses on the month-to-month cash flow of his governmental activities to determine when his cash and investment balances are at their lowest levels because of the timing of the receipt of ad valorem tax revenue. Cash and investment balances of the governmental activities totaled \$17,590,246 at June 30, 2011. This was an increase over last year's June 30<sup>th</sup> balance of \$15,775,978.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Management's Discussion and Analysis**

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**Government-Wide Revenues**

The operations of the Sheriff are supported primarily by property and sales taxes. Property and sales taxes represent 41% of total revenue. Fees, charges and commissions assessed on services represent 35% of total revenue. Other intergovernmental revenues and trusts represent 14% of total revenue. Federal and state funds represent 9% of total revenue. Interest earnings/other revenues represent 1% of total revenue.

<b>Revenues % of Operations</b>	<b>FY 2011</b>	<b>FY 2010</b>
Property and Sales Taxes	41%	42%
Fees, Charges and Commissions	35%	29%
Other Intergovernmental Revenues and Trusts	14%	14%
Federal and State Funds	9%	13%
Interest Earnings/Other Revenues	1%	2%

As noted above, property and sales tax revenues, fees, charges and commissions have remained consistent over the course of fiscal year 2010 and fiscal year 2011.

Also, the Sheriff earned \$41,793 in interest and investment earnings.

**Governmental Expenses**

The majority of the expenses of the Sheriff are for the purpose of public safety. The public safety expenditures include amounts related to the Sheriff serving as Ex-Officio Tax Collector for St. Tammany Parish. The depreciation expense for fiscal year 2011 totaled \$2,596,733. This amount is reported in the Notes to the Financial Statements.

**Major Governmental Funds**

General Fund - This fund serves as the primary operating fund. Overall this fund has held a consistent fund balance of over \$7 million since June 30, 2001. We believe this demonstrates the financial stability of the Sheriff. During fiscal year 2011, the fund balance of the general fund increased by \$176,416.

We consider our fund balance to be adequate, as it represents the equivalent of 22% of total general fund expenditures.

Jail Special Revenue Fund - The Sheriff maintains this fund to account for the ¼ cent sales tax passed in April 1998 to expand current jail facilities and to support the ongoing operation and maintenance of those facilities. Overall, jail fund revenues increased by 3%, whereas expenditures increased by 1%. This fund had a decrease in fund balance of \$103,107.

Capital Projects Fund - The Sheriff maintains this fund to account for the construction of new facilities in eastern St. Tammany Parish.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Management's Discussion and Analysis**

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**Capital Assets**

The investment in capital assets, net of accumulated depreciation as of June 30, 2011, was \$23,359,018. There was a net decrease in capital assets of \$361,493, from the prior fiscal year.

**Long-Term Debt**

Long-term debt decreased by \$665,000 in debt repayments and \$492,680 from debt forgiveness of the Community Disaster Loan.

**Other Post-Employment Benefit Obligation**

Effective with the year ended June 30, 2009, the Sheriff implemented GASB 45. The net other post-employment benefit obligation increased by \$2,219,031 for the year ended June 30, 2011. This obligation is a result of the Sheriff providing medical and other insurance benefits to retirees of the department.

**BUDGETARY HIGHLIGHTS**

On June 16, 2011, the Sheriff amended the original budget for fiscal year 2011. The amendment was caused by the following changes in revenues and expenses:

**General Fund**

- The Sheriff realized a 15% increase in revenues compared to the original budget due to an increase in federal grants, civil fees, and other miscellaneous revenues.
- The Sheriff realized a 10% increase in expenditures compared to the original budget primarily due to increases in capital outlay expenditures.

**Jail Special Revenue Fund**

- The Sheriff realized a 2% increase in revenues compared to the original budget primarily due to an increase in transfers from the St. Tammany Parish Council (dedicated ¼ cent Sales Tax revenue) and other miscellaneous revenues.
- The Sheriff realized a 2% increase in expenditures compared to the original budget primarily due to increases in capital outlay expenditures.

The commissary special revenue fund budget was amended as well. This fund experienced increases in revenues and expenditures over the original amounts.

**NEXT YEAR'S BUDGET**

The Sheriff does not anticipate any significant changes to occur that would greatly affect next year's budget.

**CONTACTING THE SHERIFF'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the St. Tammany Parish Sheriff's finances. It is also used to demonstrate the Sheriff's accountability for the funds it receives. If you have any questions regarding this report or need additional financial information, please contact the Director of Finance, St. Tammany Parish Sheriff, P.O. Box 1229, Slidell, LA 70459-1229.

## **GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH SHERIFF**  
**ST. TAMMANY PARISH, LOUISIANA**  
**Statement of Net Assets**  
**June 30, 2011**

	<b>Governmental Activities</b>
<b>Assets</b>	
Cash and Cash Equivalents	\$16,970,367
Investments	619,879
Receivables	5,807,163
Prepaid Expenses	92,764
Capital Assets, Net of Accumulated Depreciation	<u>23,359,018</u>
<b>Total Assets</b>	<u><b>46,849,191</b></u>
<b>Liabilities</b>	
Accounts Payable	2,810,432
Accrued Liabilities	1,144,561
Compensated Absences	1,143,316
Accrued Interest	1,366,234
Community Disaster Loan Payable	9,441,448
Certificates of Indebtedness Payable	
Due Within One Year	670,000
Net Other Post-Employment Benefit Obligation	<u>5,823,801</u>
<b>Total Liabilities</b>	<u><b>22,399,792</b></u>
<b>Net Assets</b>	
Invested in Capital Assets, Net of Related Debt	22,689,018
Restricted for:	
Crime Lab Expenditures	1,201,268
Unrestricted Net Assets	<u>559,113</u>
<b>Total Net Assets</b>	<u><b>\$ 24,449,399</b></u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF**  
**ST. TAMMANY PARISH, LOUISIANA**  
**Statement of Activities**  
**For the Year Ended June 30, 2011**

Activities	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Assets Governmental Activities
		Fees, Fines and Charges for Services	Operating Grants and Contributions	
<b>Governmental Activities</b>				
Public Safety	\$ 65,167,731	\$ 22,660,659	\$ 5,568,252	\$ (36,938,820)
Interest on Long-Term Debt	225,709	-	-	(225,709)
<b>Total Governmental Activities</b>	<u>\$ 65,393,440</u>	<u>\$ 22,660,659</u>	<u>\$ 5,568,252</u>	<u>(37,164,529)</u>
<b>General Revenues</b>				
Taxes				
Property Taxes				17,802,904
Sales and Use Taxes				9,296,271
Intergovernmental Revenues				
Transfer from St. Tammany Parish Council				9,296,066
Interest and Investment Earnings				41,793
Other Revenues				631,426
Special Item - Loss on Disposal of Assets				(360,196)
Extraordinary Item - Forgiveness of Debt				492,680
<b>Total General Revenues</b>				<u>37,200,944</u>
<b>Change in Net Assets</b>				36,415
<b>Net Assets, Beginning of Year</b>				<u>24,412,984</u>
<b>Net Assets, End of Year</b>				<u>\$ 24,449,399</u>

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS  
GOVERNMENTAL FUNDS**



**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Major Fund Descriptions  
Governmental Funds  
June 30, 2011**

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**General Fund**

The General Fund accounts for resources traditionally associated with governments which are not required to be accounted for in another fund. The General Fund serves as the Sheriff's primary operating fund. The two major forms of revenue for the fund include Ad Valorem Taxes and Sales Taxes, while the two major forms of expenditures include Personnel Services and Payroll Benefits. From time to time, the General Fund may also record operating transfers out to the Capital Projects Fund and the Jail Special Revenue Fund.

**Jail Special Revenue Fund**

The Jail Special Revenue Fund accounts for the main operations of the St. Tammany Parish Jail. Revenues include the proceeds of a dedicated ¼ cent sales tax approved on January 17, 1998, for the expansion of the existing jail and to fund ongoing operations of the jail. Revenues also include reimbursements from the department of corrections for the keeping of prisoners, and other grants and revenues. The fund also transfers monies to the St. Tammany Parish Council (the Parish Council) for repayment of a bond issue related to construction, maintenance, and operations of the jail.

**Capital Projects Fund**

The Sheriff maintains this fund to account for the construction of new facilities in eastern St. Tammany Parish.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Balance Sheet  
Governmental Funds  
June 30, 2011**

	General Fund	Jail Special Revenue Fund	Capital Projects Fund	Total Non-Major Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Cash	\$ 9,029,883	\$ 704,671	\$ 2,682,589	\$ 2,033,924	\$ 14,451,067
Investments	619,879	-	-	-	619,879
Receivables	3,301,306	2,505,857	-	-	5,807,163
Prepaid Expenses	89,815	2,949	-	-	92,764
<b>Total Assets</b>	<b>\$ 13,040,883</b>	<b>\$ 3,213,477</b>	<b>\$ 2,682,589</b>	<b>\$ 2,033,924</b>	<b>\$ 20,970,873</b>
<b>Liabilities</b>					
Accounts Payable	\$ 1,969,583	\$ 629,574	\$ 17,017	\$ 60,354	\$ 2,676,528
Accrued Liabilities	1,039,120	104,751	-	690	1,144,561
<b>Total Liabilities</b>	<b>3,008,703</b>	<b>734,325</b>	<b>17,017</b>	<b>61,044</b>	<b>3,821,089</b>
<b>Fund Balances</b>					
Restricted, Reported in Special Revenue Funds	-	-	-	1,201,268	1,201,268
Committed	-	-	2,665,572	771,612	3,437,184
Assigned	-	2,479,152	-	-	2,479,152
Unassigned	10,032,180	-	-	-	10,032,180
<b>Total Fund Balances</b>	<b>10,032,180</b>	<b>2,479,152</b>	<b>2,665,572</b>	<b>1,972,880</b>	<b>17,149,784</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 13,040,883</b>	<b>\$ 3,213,477</b>	<b>\$ 2,682,589</b>	<b>\$ 2,033,924</b>	
<b>Amounts reported for Governmental Activities in the Statement of Net Assets are different because:</b>					
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.					23,359,018
Internal service funds are used by management to charge liability claims and related expenses to individual funds and are included in governmental activities in the Statement of Net Assets.					2,385,396
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds:					
Compensated Absences					(1,143,316)
Accrued Interest					(1,366,234)
Loans and Certificates of Indebtedness					(10,111,448)
Net Other Post-Employment Benefit Obligation					(5,823,801)
<b>Net Assets of Governmental Activities</b>					<b>\$ 24,449,399</b>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Statement of Revenues, Expenditures  
and Changes in Fund Balances  
Governmental Funds  
For the Year Ended June 30, 2011**

	General Fund	Jail Special Revenue Fund	Capital Projects Fund	Total Non-Major Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
Ad Valorem Taxes	\$ 17,802,904	\$ -	\$ -	\$ -	\$ 17,802,904
Sales Taxes	9,296,271	-	-	-	9,296,271
Intergovernmental Revenues					
Transfer from St. Tammany Parish Council	-	9,296,066	-	-	9,296,066
Federal Grants	1,280,875	156,501	-	-	1,437,376
Intergovernmental Agreement - 911 District	400,000	-	-	-	400,000
State Revenue Sharing	470,856	-	-	-	470,856
State Supplemental Pay	2,106,641	330,289	-	5,999	2,442,929
Other Intergovernmental Revenues	782,477	34,614	-	-	817,091
Fees, Charges and Commissions for Services					
Commissions					
Sales Tax	2,090,531	-	-	-	2,090,531
Other	1,243,814	641,024	-	-	1,884,838
Civil Fees	4,116,066	-	-	-	4,116,066
Criminal Fees	1,111,466	-	-	276,477	1,387,943
Sales to Inmates	-	-	-	766,332	766,332
Keeping of Prisoners	2,906,593	6,444,158	-	-	9,350,751
Tax Research and Other Services	666,781	-	-	-	666,781
Salary Reimbursements	2,324,979	72,438	-	-	2,397,417
Interest Earnings	35,694	-	-	1,259	36,953
Other Revenues	753,427	78,576	-	-	832,003
<b>Total Revenues</b>	<b>47,389,375</b>	<b>17,053,666</b>	<b>-</b>	<b>1,050,067</b>	<b>65,493,108</b>
<b>Expenditures</b>					
Public Safety					
Personnel Services	23,108,454	8,395,091	-	73,419	31,576,964
Payroll Benefits	7,162,257	2,266,292	-	21,373	9,449,922
Operating Expenditures	5,233,465	3,555,111	-	1,760	8,790,336
Professional Fees	2,677,652	274,353	-	-	2,952,005
Materials and Supplies	1,585,200	441,337	-	493,423	2,519,960
Travel and Education	310,395	77,180	-	-	387,575
Insurance	1,794,607	717,630	-	-	2,512,237
Debt Service					
Transfer to St. Tammany Parish Council	-	1,522,250	-	-	1,522,250
Principal	665,000	-	-	-	665,000
Interest	31,679	-	-	-	31,679
Capital Outlays	2,664,250	337,529	22,737	5,253	3,029,769
<b>Total Expenditures</b>	<b>45,232,959</b>	<b>17,586,773</b>	<b>22,737</b>	<b>595,228</b>	<b>63,437,697</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>2,156,416</b>	<b>(533,107)</b>	<b>(22,737)</b>	<b>454,839</b>	<b>2,055,411</b>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Statement of Revenues, Expenditures  
and Changes in Fund Balances (Continued)  
Governmental Funds  
For the Year Ended June 30, 2011**

	General Fund	Jail Special Revenue Fund	Capital Projects Fund	Total Non-Major Governmental Funds	Total Governmental Funds
<b>Other Financing Sources (Uses)</b>					
Operating Transfers In	-	430,000	1,550,000	-	1,980,000
Operating Transfers Out	(1,980,000)	-	-	-	(1,980,000)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,980,000)</b>	<b>430,000</b>	<b>1,550,000</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>176,416</b>	<b>(103,107)</b>	<b>1,527,263</b>	<b>454,839</b>	<b>2,055,411</b>
<b>Fund Balances, Beginning of Year</b>	<b>9,855,764</b>	<b>2,582,259</b>	<b>1,138,309</b>	<b>1,518,041</b>	<b>15,094,373</b>
<b>Fund Balances, End of Year</b>	<b>\$ 10,032,180</b>	<b>\$ 2,479,152</b>	<b>\$ 2,665,572</b>	<b>\$ 1,972,880</b>	<b>\$ 17,149,784</b>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental  
Funds to the Statement of Activities  
For the Year Ended June 30, 2011**

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Amounts reported for governmental activities in the Statement of Activities are different because:

Net Change in Fund Balances - Total Governmental Funds	\$ 2,055,411
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation.	199,280
Losses on the disposal of capital assets reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(560,773)
The issuance of long-term debt (e.g., certificates of indebtedness, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas, these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	1,157,680
The change in compensated absences reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	1,408
The change in the net other post-employment benefit obligation reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(2,219,031)
The change in accrued interest reported in the Statement of Activities does not require the use of current financial resources and, therefore, is not reported as an expenditure in the governmental funds.	(194,030)
Internal service funds are used to charge the costs of liability insurance to individual funds. This amount is the total change in net assets in the internal service fund.	(403,530)
<b>Change in Net Assets</b>	<b><u>\$ 36,415</u></b>

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS  
PROPRIETARY FUND**

**ST. TAMMANY PARISH SHERIFF**  
**ST. TAMMANY PARISH, LOUISIANA**  
**Fund Description**  
**Proprietary Fund**  
**June 30, 2011**

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**Risk Management**

The Sheriff's proprietary fund accounts for the payment of liability claims and related expenses on a recovery basis.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Statement of Net Assets  
Proprietary Fund - Internal Service Fund  
June 30, 2011**

<b>Current Assets</b>	
Cash and Cash Equivalents	<u>\$ 2,519,300</u>
<b>Total Current Assets</b>	<u>2,519,300</u>
<b>Current Liabilities</b>	
Claims Payable	<u>133,904</u>
<b>Total Current Liabilities</b>	<u>133,904</u>
<b>Net Assets</b>	
Unrestricted	<u>\$ 2,385,396</u>

The accompanying notes are an integral part of these financial statements.



**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Statement of Revenues, Expenses and  
Change in Net Assets  
Proprietary Fund - Internal Service Fund  
For the Year Ended June 30, 2011**

<b>Operating Revenues</b>	
Fund Premiums	<u>\$ 1,517,252</u>
<b>Total Operating Revenues</b>	<u>1,517,252</u>
<b>Operating Expenses</b>	
Claims and Legal Fees	<u>1,925,622</u>
<b>Total Operating Expenses</b>	<u>1,925,622</u>
<b>Operating Loss</b>	(408,370)
<b>Nonoperating Revenues</b>	
Interest Earned	<u>4,840</u>
<b>Change in Net Assets</b>	(403,530)
<b>Net Assets, Beginning of Year</b>	<u>2,788,926</u>
<b>Net Assets, End of Year</b>	<u><u>\$ 2,385,396</u></u>

The accompanying notes are an integral part of these financial statements.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Statement of Cash Flows  
Proprietary Fund - Internal Service Fund  
For the Year Ended June 30, 2011**

<b>Cash Flows from Operating Activities</b>	
Fund Premiums	\$ 1,517,252
Claims and Legal Fees	<u>(1,874,159)</u>
<b>Net Cash Used in Operating Activities</b>	<u><b>(356,907)</b></u>
<b>Cash Flows from Investment Activities</b>	
Interest Earned	<u>4,840</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<b>(352,067)</b>
<b>Cash and Cash Equivalents, Beginning of Year</b>	<u><b>2,871,367</b></u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u><b>\$ 2,519,300</b></u></u>
<b>Reconciliation of Operating Income to Net Cash Used in Operating Activities</b>	
Operating Loss	\$ (408,370)
Adjustments to Reconcile Operating Loss to Net Cash Used In Operating Activities:	
Change in Claims Payable	<u>51,463</u>
<b>Net Cash Used in Operating Activities</b>	<u><u><b>\$ (356,907)</b></u></u>

The accompanying notes are an integral part of these financial statements.

**FUND FINANCIAL STATEMENTS  
FIDUCIARY FUND**

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Statement of Net Assets  
Fiduciary Fund  
June 30, 2011**

	<b>Agency Funds</b>
<b>Assets</b>	
Cash and Interest-Bearing Deposits	<u>\$ 32,017,567</u>
<b>Total Assets</b>	<u><u>\$ 32,017,567</u></u>
<b>Liabilities</b>	
Due to Taxing Bodies, Prisoners and Others	<u>\$ 32,017,567</u>
<b>Total Liabilities</b>	<u><u>\$ 32,017,567</u></u>

The accompanying notes are an integral part of these financial statements.

## **NOTES TO FINANCIAL STATEMENTS**

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies**

As provided by Article V, Section 27 of the Louisiana Constitution of 1974, the St. Tammany Parish Sheriff (the Sheriff) serves a four-year term as the Chief Executive Officer of the law enforcement district and Ex-Officio Tax Collector of St. Tammany Parish (the Parish). The Sheriff administers the Parish jail system and exercises duties required by the Parish court system, such as providing bailiffs, executing orders of the court, serving subpoenas, et cetera.

As the chief law enforcement officer of the Parish, the Sheriff has the responsibility for enforcing state and local laws and ordinances within the territorial boundaries of the Parish. The Sheriff provides protection to the residents of the Parish through on-site patrols, investigations and other law enforcement activities. In addition, the Sheriff, when requested, provides assistance to other law enforcement agencies within the Parish, state or federal government.

As the Ex-Officio Tax Collector of the Parish, the Sheriff is responsible for collecting and distributing ad valorem property taxes, parish occupational licenses, state revenue sharing funds, fines and costs, and bond forfeitures imposed by the district court. The Sheriff is also contracted to be the sole tax collector for the collection and distribution of sales taxes throughout the Parish.

**Reporting Entity**

For financial reporting purposes, the Sheriff's basic financial statements include all funds that are controlled by the Sheriff as an independently elected Parish official. As an independently elected official, the Sheriff is solely responsible for the operations of his office. Other than certain operating expenditures of the Sheriff that are paid or provided by the St. Tammany Parish Council (the Parish Council) as required by Louisiana law, the Sheriff is financially independent. Accordingly, the Sheriff is a primary government for reporting purposes.

The criteria for including organizations as component units within the Sheriff's reporting entity, as set forth in Section 2100 of GASB's *Codification of Governmental Accounting and Financial Reporting Standards*, include items such as whether the organization is legally separate, whether the Sheriff appoints a voting majority of the organization's board, whether the Sheriff is able to impose his will on the organization, et cetera.

Based on these criteria, the Sheriff has no component units.

**Basis of Presentation**

The accompanying basic financial statements of the St. Tammany Parish Sheriff have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, issued in June 1999.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Basis of Presentation (Continued)**

**Government-Wide Financial Statements**

The government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the non-fiduciary activities of the Sheriff. For the most part, the effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

**Fund Financial Statements**

The Sheriff uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Sheriff functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. The various funds of the Sheriff are classified into three categories: governmental, proprietary and fiduciary. The emphasis on fund financial statements is on major funds, each displayed in a separate column.

The Sheriff reports the following major funds:

- The General Fund is the primary operating fund of the Sheriff. It accounts for all the financial resources except those that are required to be accounted for in other funds.
- The Jail Special Revenue Fund accounts for the main operations of the St. Tammany Parish Jail. Revenues include the proceeds of a dedicated ¼ cent sales tax approved on January 17, 1998, for the expansion of the existing jail and to fund ongoing operations of the jail. Revenues also include reimbursements from the department of corrections for the keeping of prisoners, and other grants and revenues. The fund also transfers monies to the St. Tammany Parish Council (the Parish Council) for repayment of a bond issue related to construction, maintenance, and operations of the jail.
- The Capital Projects Fund is used to account for the construction of new facilities in eastern St. Tammany Parish.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fund Financial Statements (Continued)**

- The Internal Service Fund of the Sheriff is a proprietary fund used to account for the payment of liability claims and related expenses. Resources to fund the self-insurance plan are recorded as revenues. The cost of claims is recorded as an expense in the Internal Service Fund when the claims arise. Accrued liabilities include provisions for claims reported but not yet paid as of the fiscal year end. Because this service benefits governmental functions, it has been included within governmental activities in the government-wide financial statements.
- The fiduciary funds of the Sheriff are used to report assets held in a trustee or agency capacity for others and, therefore, cannot be used to support the Sheriff's programs. The only funds accounted for in this category by the Sheriff are agency funds. The agency funds account for assets held by the Sheriff as an agent for various taxing bodies (tax collections) and for deposits held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the accrual basis of accounting.

**Measurement Focus/Basis of Accounting**

The amounts reflected in the governmental fund financial statements are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures and Change in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach is then reconciled, through adjustment, to the government-wide financial statements.

The amounts reflected in the governmental fund financial statements use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Sheriff considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt, which are recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

The government-wide financial statements are accounted for using an "economic resources" measurement focus. The accounting objectives of this measurement focus are the determination of operating income, change in net assets and financial position. All assets and liabilities (whether current or non-current) associated with their activities are reported.



**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Measurement Focus/Basis of Accounting (Continued)**

The government-wide financial statements are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used.

When both restricted and unrestricted resources are available for use, it is the Sheriff's policy to use restricted resources first, then unrestricted resources as they are needed.

**Budget Practices**

The proposed 2010-2011 budgets (FY 2011) for the general fund and special revenue funds were made available for public inspection at the Sheriff's office on June 10, 2010. A public hearing was held at the Sheriff's office for suggestions and comments from the general public on June 21, 2010. The Sheriff legally adopted the proposed budget on the date of the public hearing. All appropriations lapse at year end. The budget, which includes proposed expenditures and the means of financing them, was published in the official journal prior to the public hearing.

The general fund and special revenue fund budgets are prepared on a basis of accounting consistent with accounting principles generally accepted in the United States of America for governmental funds. Formal budget integration (within the accounting records) is used during the year as a management control device. The budget was amended on June 27, 2011, and was subsequently published in the official journal.

**Cash and Investments**

Cash includes amounts in demand deposits and interest-bearing demand deposits. Under state law, the Sheriff may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana law or any other state of the United States, or under the laws of the United States. Deposits must be made in a bank domiciled or having branch offices in the parish where the funds are collected.

Investments are limited by Louisiana Revised Statute and the Sheriff's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents. At June 30, 2011, the Sheriff's investments consisted of U.S. government agency bonds, which are reported at fair value based on published market prices.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Capital Assets**

Capital assets are capitalized at historical cost, or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation. The Sheriff maintains a threshold level of \$2,500 or more for capitalizing assets.

Capital assets are recorded as expenditures in the governmental funds, and are recorded as assets in the government-wide Statement of Net Assets. All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<b>Asset Class</b>	<b>Estimated Useful Lives</b>
Computers	3 - 5 Years
Office, Equipment and Furniture	5 Years
Vehicles	3 - 5 Years
Radio System	10 Years
Buildings and Improvements	30 Years

**Compensated Absences**

Employees of the Sheriff earn from 10 to 20 days of vacation leave and 10 to 15 days of sick leave each year, depending on the length of their service. Vacation leave cannot be accumulated and should be used during the year it is earned. An employee may receive an extension of time to use vacation hours by applying to his department head. Sick leave can be accumulated up to a maximum of 480 hours. Upon termination, sick leave lapses. At June 30, 2011, the Statement of Net Assets includes a liability for compensated absences totaling \$1,143,316, which is a decrease from the prior year of \$1,408.

**Interfund Transactions**

Interfund activity is reported as loans, services provided, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds or between proprietary funds are netted as part of the reconciliation to the government-wide financial statements.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 1. Summary of Significant Accounting Policies (Continued)**

**Fund Equity**

Government-Wide Equity is classified as net assets and displayed in three components:

1. Invested in Capital Assets, net of related debt - Consists of capital assets including restricted capital assets, net of accumulated depreciation, and reduced by the outstanding balances of any borrowings that are attributable to the acquisition, construction, or improvement of those assets.
2. Restricted Net Assets - Net assets with constraints placed on their use either by:
  - a. external groups such as creditors, grantors, contributors, or laws or regulations of other governments, or
  - b. law through constitutional provisions or enabling legislation.
3. Unrestricted Net Assets - All other net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

Governmental Fund Balances - During fiscal year ended June 30, 2011, the Sheriff adopted GASB 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which significantly changed the reporting of fund balance on the balance sheets of governmental type funds.

In the governmental fund financial statements, fund balances are classified as follows:

1. Restricted Fund Balance - amounts that can be spent only for specific purposes because of state or federal laws, or externally imposed conditions by grantors, creditors, or citizens.
2. Committed Fund Balance - amounts that can be used only for specific purposes determined by a formal action of the Sheriff.
3. Assigned Fund Balance - amounts that are constrained by the Sheriff's intent to be used for specific purposes. Constraints imposed on the use of assigned amounts are more easily removed or modified than those imposed on amounts that are classified as committed.
4. Unassigned Fund Balance - all amounts not included in other spendable classifications.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 1. Summary of Significant Accounting Policies (Continued)**

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures and expenses during the reporting period. Actual results could differ from those estimates.

**Note 2. Levied Taxes**

Property taxes for the Sheriff are levied each November 1<sup>st</sup> on the assessed value listed, as of the prior January 1<sup>st</sup> for generally all real property, business merchandise and business movable property located in the Parish. Taxes are due and payable by January 6<sup>th</sup>. Assessed values are established by the St. Tammany Parish Assessor's Office and the State Tax Commission at percentages of actual value as specified by Louisiana law. An evaluation of all property is required to be completed no less than every four years. The last evaluation was completed for the 2008 tax roll.

The following is a summary of authorized and levied ad valorem taxes for the year:

	<b>Millage</b>	<b>Expiration Date</b>
1998 Law Enforcement District	4.89	2018
Constitutional Law Enforcement District	6.84	N/A

The 1998 millage was adopted for the purpose of general law enforcement support.

**Note 3. Cash and Cash Equivalents**

At June 30, 2011, the Sheriff had \$48,987,934 (book balance) in interest-bearing demand deposits as follows:

	<b>Government-Wide Statement of Net Assets</b>	<b>Fiduciary Funds Statement of Net Assets</b>	<b>Total</b>
Interest Bearing Deposits	\$ 16,970,367	\$ 32,017,567	\$ 48,987,934

These deposits are stated at cost, which approximates market.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 3. Cash and Cash Equivalents (Continued)**

*Custodial Credit Risk* - Custodial credit risk is the risk that in the event of a bank failure, the Sheriff's deposits may not be returned. The Sheriff does not have a deposit policy for custodial credit risk. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities, plus the federal deposit insurance, must at all times equal the amount on deposit with the fiscal agent. The custodial bank must advertise and sell the pledged securities within 10 days of being notified that the fiscal agent has failed to pay deposited funds upon demand.

As of June 30, 2011, the total bank balance of \$52,563,674 was secured from risk by \$381,413 of FDIC coverage and \$52,182,261 by a pledge of securities owned by the fiscal agent bank. These securities are being held in the name of the pledging fiscal agent bank in a custodial bank that is mutually acceptable to the Sheriff and the fiscal agent bank.

**Note 4. Investments**

At June 30, 2011, the Sheriff had investments of \$619,879 in various securities.

**Credit Risk**

<b>Investment</b>	<b>Composite Rating</b>	<b>Percentage</b>
FHLB Step-Up Call Bond	AA+	43.34%
FNMA Step-Up Call NTS	AA+	55.72%
Money Market	Varies	0.94%

The Sheriff does not have a formal investment policy regarding investment credit risk.

**Concentration of Credit Risk**

The Sheriff has no formal limit on the amount the Sheriff may invest in any one issuer. Federal Home Loan Bank System Step-Up Bonds and Federal National Mortgage Association Step-Up Notes make up 43.34% and 55.72% of the Sheriff's investments, respectively.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 4. Investments (Continued)**

**Interest Rate Risk**

<b>Investment</b>	<b>Maturity</b>	<b>Fair Value</b>
FHLB Step-Up Call Bond	November 17, 2017	\$ 268,692
FNMA Step-Up Call NTS	July 6, 2018	345,391
Money Market	None	<u>5,796</u>
<b>Total</b>		<u><b>\$ 619,879</b></u>

The Sheriff does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

**Note 5. Receivables**

The receivables at June 30, 2011, were as follows:

	<b>General Fund</b>	<b>Jail Special Revenue Fund</b>	<b>Governmental Activities Total</b>
Sales Taxes	\$ 1,666,319	\$ -	\$ 1,666,319
Ad Valorem Taxes	422,581	-	422,581
Due from St. Tammany Parish Council	-	1,666,319	1,666,319
Salary Reimbursements	413,614	20,461	434,075
Federal Funds	185,051	11,381	196,432
Fees, Charges and Commissions for Services	576,058	807,502	1,383,560
Other	<u>37,683</u>	<u>194</u>	<u>37,877</u>
<b>Total</b>	<u><b>\$ 3,301,306</b></u>	<u><b>\$ 2,505,857</b></u>	<u><b>\$ 5,807,163</b></u>

All receivables are considered to be fully collectible at June 30, 2011.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 6. Capital Assets**

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Capital Assets, Not Being Depreciated</b>				
Land	\$ 2,547,023	\$ -	\$ -	\$ 2,547,023
<b>Total Capital Assets, Not Being Depreciated</b>	<b>2,547,023</b>	<b>-</b>	<b>-</b>	<b>2,547,023</b>
<b>Capital Assets, Being Depreciated</b>				
Buildings	12,736,736	7,168	(345,028)	12,398,876
Other Equipment	8,280,689	786,742	(482,948)	8,584,483
Communication Equipment	12,349,705	158,698	-	12,508,403
Vehicles	11,290,538	1,843,405	(2,384,346)	10,749,597
<b>Total Capital Assets, Being Depreciated</b>	<b>44,657,668</b>	<b>2,796,013</b>	<b>(3,212,322)</b>	<b>44,241,359</b>
<b>Less Accumulated Depreciation for:</b>				
Buildings	(1,338,655)	(287,317)	47,775	(1,578,197)
Other Equipment	(5,960,606)	(640,108)	895,221	(5,705,493)
Communication Equipment	(9,367,783)	(545,062)	23,907	(9,888,938)
Vehicles	(6,817,136)	(1,124,246)	1,684,646	(6,256,736)
<b>Total Accumulated Depreciation</b>	<b>(23,484,180)</b>	<b>(2,596,733)</b>	<b>2,651,549</b>	<b>(23,429,364)</b>
<b>Total Capital Assets Being Depreciated, Net</b>	<b>21,173,488</b>	<b>199,280</b>	<b>(560,773)</b>	<b>20,811,995</b>
<b>Governmental Activities - Capital Assets, Net</b>	<b>\$23,720,511</b>	<b>\$ 199,280</b>	<b>\$ (560,773)</b>	<b>\$23,359,018</b>

Depreciation expense of \$2,596,733 was charged to governmental activities for the year ended June 30, 2011.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 7. Leases**

**Operating Leases**

The Sheriff is obligated under certain leases accounted for as operating leases. Operating leases do not give rise to property rights or lease obligations and, therefore, the results of the lease agreements are not reflected in the Sheriff's statement of net assets. Lease payments of \$261,584 were made during the year ended June 30, 2011.

The following is a schedule of future minimum lease payments at June 30<sup>th</sup>:

2012	\$	252,567
2013		237,208
2014		237,666
2015		240,851
2016		169,828
Thereafter		<u>195,788</u>
<b>Total Future Minimum Lease Payments</b>	<b>\$</b>	<b><u>1,333,908</u></b>

**Note 8. Change in Long-Term Debt**

The following is a summary of long-term debt of the Sheriff for the year ended June 30, 2011:

	<b>Certificate of Indebtedness</b>	<b>Community Disaster Loan</b>	<b>Total</b>
<b>Notes and Certificates Payable at July 1, 2010</b>	\$ 1,335,000	\$ 9,934,128	\$ 11,269,128
Issued	-	-	-
Retired	<u>(665,000)</u>	<u>(492,680)</u>	<u>(1,157,680)</u>
<b>Notes and Certificates Payable at June 30, 2011</b>	<b><u>\$ 670,000</u></b>	<b><u>\$ 9,441,448</u></b>	<b><u>\$ 10,111,448</u></b>



**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 9. Long-Term Debt**

At June 30, 2011, the Sheriff was obligated under the following agreements:

Certificate of Indebtedness payable to a bank dated  
August 1, 2008, principal payable in three annual  
installments with interest at a rate of 3.16%, secured  
by excess revenue of the Sheriff. \$ 670,000

Community Disaster Loan payable to the Federal  
Emergency Management Agency, with interest  
payable at 2.68%, maturing on December 12, 2015. 9,441,448

**Total** \$ 10,111,448

Total future principal and interest payments under the certificates of indebtedness were as follows:

<b>Year Ending June 30,</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>
2012	<u>670,000</u>	<u>10,586</u>	<u>680,586</u>
<b>Total</b>	<u><u>\$ 670,000</u></u>	<u><u>\$ 10,586</u></u>	<u><u>\$ 680,586</u></u>

Future principal and interest payments for the Community Disaster Loan are uncertain and cannot be presented.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 10. Post-Employment Benefits**

**Plan Description**

The St. Tammany Parish Sheriff's medical, dental, and life insurance benefits are provided to employees upon actual retirement.

The employer pays 100% of the medical/dental coverage for the retiree only (not dependents). The retiree pays for life insurance coverage after retirement, but it is a blended rate (see section entitled "Life Insurance" below for more details). Employees are covered by the Louisiana Sheriffs' Pension and Relief Fund, whose retirement eligibility (D.R.O.P. entry) provisions are as follows: 30 years of service at any age; or, age 55 and 12 years of service. See the section below entitled "Expected Time of Commencement of Benefits" for the assumption as to actual retirement.

Life insurance coverage is available to retirees by election and the blended rate (active and retired) is \$0.413 per \$1,000 of insurance. The retiree "pays" for 100% of the cost of the retiree life insurance, but it is a blended rate. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table (see page 43) to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance. Thus, the implicit employer subsidy is the unblended rate thus determined less the blended rate paid by the retiree. All of the assumptions used for the valuation of the medical benefits have been used except for the trend assumption; zero trend was used for life insurance. Insurance coverage amounts are reduced to 75% of the original amount at age 65 and to 50% of the original amount at age 70.

**Contribution Rates**

Employees do not contribute to their post-employment benefits costs until they become retirees and begin receiving those benefits. The plan provisions and contribution rate are contained in the official plan documents.

**Fund Policy**

Until fiscal year ended June 30, 2008, the Sheriff recognized the cost of providing post-employment medical and life benefits (St. Tammany Parish Sheriff's portion of the retiree medical/dental and life benefit premiums) as an expense when the benefit premiums were due and thus financed the cost of the post-employment benefits on a pay-as-you-go basis. Effective with the fiscal year beginning July 1, 2008, the Sheriff implemented GASB 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other than Pensions* (GASB 45). The funding policy is not to fund the Annual Required Contribution (ARC) except to the extent of the current year's retiree funding costs.

In the fiscal year ended June 30, 2011, the Sheriff's portion of health care funding costs and dental costs for retired employees totaled \$685,899, and the life insurance costs totaled \$56,861. These amounts were applied toward the Net Other Post Employment Benefit Obligation as shown in the table on the following page.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 10. Post-Employment Benefits (Continued)**

**Annual Required Contribution**

The St. Tammany Parish Sheriff's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the Actuarial Accrued Liability (AAL). A level dollar, open amortization period of 30 years (the maximum amortization period allowed by GASB 43 and GASB 45) has been used for the post-employment benefits. The total ARC for the fiscal year beginning July 1, 2010, is \$2,748,640 for medical/dental, and \$277,424 for life, as set forth below:

	Medical/Dental	Life
Normal Cost	\$ 1,283,477	\$ 89,399
30-Year UAL Amortization Amount	1,465,163	188,025
Annual Required Contribution (ARC)	<u>\$ 2,748,640</u>	<u>\$ 277,424</u>

**Net Post-Employment Benefit Obligation**

The table below shows the Sheriff's Net Other Post-Employment Benefit (OPEB) Obligation for the year ended June 30, 2011:

	Medical/Dental	Life
Beginning Net OPEB Obligation July 1, 2010	\$ 3,115,475	\$ 489,295
Annual Required Contribution	2,748,640	277,424
Interest on Net OPEB Obligation	124,619	19,572
ARC Adjustment	<u>(180,168)</u>	<u>(28,296)</u>
OPEB Cost	2,693,091	268,700
Contribution	-	-
Current Year Retiree Premium	<u>(685,899)</u>	<u>(56,861)</u>
Change in Net OPEB Obligation	<u>2,007,192</u>	<u>211,839</u>
Ending Net OPEB Obligation June 30, 2011	<u>\$ 5,122,667</u>	<u>\$ 701,134</u>

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 10. Post-Employment Benefits (Continued)**

**Net Post-Employment Benefit Obligation (Continued)**

The following table shows St. Tammany Parish Sheriff's annual post-employment benefits (PEB) cost, percentage of the cost contributed, and the net unfunded PEB liability:

Post-Employment Benefit	Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual Cost Contributed	Net OPEB Obligation
Medical/Dental	June 30, 2011	\$ 2,693,091	25.47%	\$ 5,122,667
Life	June 30, 2011	\$ 268,700	21.16%	\$ 701,134

**Funded Status and Funding Progress**

In the fiscal year ended June 30, 2011, the Sheriff made no contributions to its post-employment benefits plan. The plan was not funded at all, has no assets, and hence has a funded ratio of zero. As of July 1, 2010, the most recent actuarial valuation, the Actuarial Accrued Liability (AAL) was \$25,335,480 (medical/dental) and \$3,251,288 (life), which is defined as that portion, as determined by a particular actuarial cost method (the Sheriff uses the Projected Unit Credit Cost Method), of the actuarial present value of post-employment plan benefits and expenses which is not provided by normal cost. Since the plan was not funded during the fiscal year ended June 30, 2011, the entire Actuarial Accrued Liability of \$25,335,480 (medical/dental) and \$3,251,288 (life) was unfunded.

	Medical/Dental	Life
Actuarial Accrued Liability (AAL)	\$ 25,335,480	\$ 3,251,288
Actuarial Value of Plan Assets	-	-
Unfunded Actuarial Accrued Liability (UAAL)	\$ 25,335,480	\$ 3,251,288
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0%	0%
Covered Payroll (Active Plan Members)	\$ 30,077,413	\$ 30,077,413
UAAL as a Percentage of Covered Payroll	84.23%	10.81%

**Actuarial Methods and Assumptions**

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 10. Post-Employment Benefits (Continued)**

The actuarial valuation for post-employment benefits includes estimates and assumptions regarding (1) turnover rate; (2) retirement rate; (3) health care cost trend rate; (4) mortality rate; (5) discount rate (investment return assumption); and (6) the period to which the costs apply (past, current, or future years of service by employees). Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future.

The actuarial calculations are based on the types of benefits provided under the terms of the substantive plan (the plan as understood by the Sheriff and its employee plan members) at the time of the valuation and on the pattern of sharing costs between the Sheriff and its plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the Sheriff and plan members in the future. Consistent with the long-term perspective of actuarial calculations, the actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial liabilities and the actuarial value of assets.

**Actuarial Cost Method**

The ARC is determined using the Unit Credit Cost Method. The employer portion of the cost for retiree medical in each future year is determined by projecting the current cost levels using the health care cost trend rate and discounting this projected amount to the valuation date using the other described pertinent actuarial assumptions, including the investment return assumption (discount rate), mortality and turnover.

**Actuarial Value of Plan Assets**

Since the OPEB obligation has not as yet been funded, there are not any assets. It is anticipated that in future valuations, should funding take place, a smoothed market value consistent with Actuarial Standards Board Actuarial Standards of Practice Number 6 (ASOP 6), as provided in paragraph number 125 of GASB Statement 45.

**Turnover Rate**

An age-related turnover scale based on actual experience as described by administrative staff has been used. The rates, when applied to the active employee census, produce an annual turnover of approximately 10%. The rates for each age are below:

<b>Age</b>	<b>Percent Turnover</b>
18 - 25	16.0%
26 - 40	10.0%
41 - 54	8.0%
55+	6.0%

It has been assumed that 15% of retirees decline life insurance at time of retirement.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 10. Post-Employment Benefits (Continued)**

**Post-Employment Benefit Plan Eligibility Requirements**

Although employees may retire at age 55 and 12 years of service, historically they have tended to wait until 30 years of service. To accommodate this historical tendency, it is assumed that actual retirement (and commencement of OPEB) occurs at the earlier of 30 years of service or age 60 and 15 years of service. Medical benefits are provided to employees upon actual retirement. Entitlement to benefits continues through Medicare to death.

**Investment Return Assumption (Discount Rate)**

GASB Statement 45 states that the investment return assumption should be the estimated long-term investment yield on the investments that are expected to be used to finance the payment of benefits. Since the ARC is not currently being funded and not expected to be funded in the near future, we have performed this valuation using a 4% annual investment return assumption.

**Health Care Cost Trend Rate**

The expected rate of increase in medical cost is based on projections performed by the Office of the Actuary at the Centers for Medicare & Medicaid Services as published in National Health Care Expenditures Projections: 2003 to 2013, Table 3: National Health Expenditures, Aggregate and per Capita Amounts, Percent Distribution and Average Annual Percent Change by Source of Funds: Selected Calendar Years 1990-2013, released in January, 2004 by the Health Care Financing Administration ([www.cms.hhs.gov](http://www.cms.hhs.gov)). "State and Local" rates for 2010 through 2013 from this report were used, with rates beyond 2013 graduated down to an ultimate annual rate of 5.0% for 2016 and later.

**Mortality Rate**

The 1994 Group Annuity Reserving (94GAR) table, projected to 2002, based on a fixed blend of 50% of the unloaded male mortality rate and 50% of the unloaded female mortality rate, was used. This is a published mortality table which was designed to be used in determining the value of accrued benefits in defined benefit pension plans. Since GASB 45 requires the use of "unblended" rates, we have used the 94GAR mortality table described above to "unblend" the rates so as to reproduce the composite blended rate overall as the rate structure to calculate the actuarial valuation results for life insurance.

**Method of Determining Value of Benefits**

The "value of benefits" has been assumed to be the portion of the premium after retirement date expected to be paid by the employer for each retiree and has been used as the basis for calculating the actuarial present value of OPEB benefits to be paid. The medical rates provided are "blended" rates for active and retired before Medicare eligibility, so we have estimated the "unblended" rates for retirees before Medicare as 130% of the blended rate, as required by GASB 45 for valuation purposes.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 11. Changes In Agency Fund Balances**

A summary of changes in balances due to taxing bodies, prisoners and others follows:

	Sheriff's Fund	Tax Collector Fund	Jail Agency Fund	Transitional Work Program Fund	Fines and Cost Fund	Total
Balance at July 1, 2010	\$ 4,012,651	\$ 24,803,535	\$ 176,383	\$ 264,399	\$ 801,898	\$ 30,058,866
Additions	12,771,417	429,621,431	872,510	1,614,048	6,321,322	451,200,728
Deductions	(12,969,816)	(427,375,127)	(732,653)	(1,631,161)	(6,533,270)	(449,242,027)
Balance at June 30, 2011	\$ 3,814,252	\$ 27,049,839	\$ 316,240	\$ 247,286	\$ 589,950	\$ 32,017,567

**Note 12. Expenditures of the Sheriff Paid by the Parish Council**

The Sheriff occupies two facilities owned by the Parish, the jail and the crime lab building. The cost of maintaining and operating the jail, as required by Louisiana Revised Statute 33:4715, is paid by a dedicated sales tax, which is collected by the Sheriff.

**Note 13. Pension Plan**

Substantially all employees of the St. Tammany Parish Sheriff are members of the state individual retirement system known as the Louisiana Sheriffs' Pension and Relief Fund (the System), a multiple-employer defined benefit, cost sharing, public employee retirement system, administered and controlled by a separate board of trustees.

**Plan Description**

All sheriffs and deputies who are found to be physically fit, who earn at least \$800 after January 1, 2000, and who were between the ages of 18 and 50 at time of original employment are required to participate in the System. Employees are eligible to retire at or after age 55 with at least 12 years of credited service and receive a benefit, payable monthly for life, equal to a percentage of their final average salary for each year of credited service. The percentage factor to be used for each year of service is 3.33%. In any case, the retirement benefit cannot exceed 100% of final average salary. Final average salary is the employee's average salary over 60 consecutive or joined months that produce the highest average. Employees who terminate with at least 12 years of service and who do not withdraw their employee contributions may retire at or after age 55 and receive benefits accrued to their date of termination as indicated previously. Employees who terminate with at least 20 years of credited service are also eligible to elect early benefits between ages 50 and 55 with reduced benefits equal to the actuarial equivalent of the benefit to which they would otherwise be entitled at age 55. The System also provides death and disability benefits. Benefits are established by state statute.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

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**Note 13. Pension Plan (Continued)**

**Plan Description (Continued)**

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. The report may be obtained by writing to the Louisiana Sheriffs' Pension and Relief Fund, 1225 Nicholson Drive, Baton Rouge, Louisiana 70802, or by calling (225) 219-0500.

**Funding Policy**

System members are required by state statute to contribute 10% of their annual covered salary and the Sheriff is required to contribute at an actuarially determined rate. The current rate is 12% of annual covered payroll. The contribution requirements of System members and the Sheriff are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Sheriff's contributions to the System for the years ended June 30, 2011, 2010 and 2009, were \$3,715,904, \$3,220,092, and \$3,152,998, respectively, equal to the required contributions for each year.

**Note 14. Deferred Compensation Plan**

Certain employees of the Sheriff participate in the Louisiana Public Employees Deferred Compensation Plan (the Plan) adopted under the provisions of the Internal Revenue Code Section 457. Complete disclosures relating to the Plan are included in the separately issued audit report for the Plan, available from the Louisiana Legislative Auditor, P.O. Box 94397, Baton Rouge, Louisiana 70804-9397.

**Note 15. Litigation and Claims**

From time to time the Sheriff is involved in litigation arising from normal day-to-day operations. In the opinion of the Sheriff's legal counsels, the resolution of these lawsuits would not create a liability to the Sheriff in excess of insurance coverage.

**Note 16. Self-Insurance**

The Sheriff is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Sheriff has contracted with various insurers to cover his risk of loss on assets, which he owns, with the exception of motor vehicles for which he retains the risk of loss. The Sheriff has retained a portion of his risks as to general and police professional liability for which he has established an internal service fund to account for and finance his portion of these risks.



**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 16. Self-Insurance (Continued)**

**Liability Risk Management**

The Sheriff has established a self-insurance fund for his deductible for general liability, police professional liability, practice liability and automobile liability. The Sheriff participates in insurance contracts for the coverage of general liability, police professional liability, practice liability, and automobile liability and buildings and contents. Limit of coverage is \$3,000,000. The Sheriff self-insures the deductible of \$500,000 per incident for general liability, police professional liability, practice liability, and automobile liability. The Sheriff covers each occurrence up to a maximum of \$1,000,000 aggregate per claim year for all liability insurances. The cost of claims is recorded as an expense in the Internal Service Fund when the claims arise. Resources to fund the plan are recorded as revenues. Settlements have not exceeded coverages for each of the past three fiscal years. Insurance coverages have not significantly changed from prior year. Claim liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Claim liabilities include an amount for claims that have been incurred but not paid as of June 30, 2011. These liabilities are recorded at their present value of \$133,904.

Changes in the balances of claim liabilities during fiscal years 2011, 2010 and 2009, are as follows:

	2011	2010	2009
Beginning of Year Liability	\$ 82,441	\$ 533,938	\$ 577,644
Claims and Legal Fees	1,925,622	1,212,890	1,176,133
Payments	(1,874,159)	(1,664,387)	(1,219,839)
<b>Balance at Fiscal Year End</b>	<b>\$ 133,904</b>	<b>\$ 82,441</b>	<b>\$ 533,938</b>

**Note 17. Taxes Paid Under Protest**

The unsettled balances due to taxing bodies and others at June 30, 2011, include taxes paid under protest, plus interest earned to date on the investment of these funds, totaling \$2,245,812.

**Note 18. Intergovernmental Agreement**

On April 6, 2004, the Parish Council and the Sheriff entered into an intergovernmental agreement whereby the Sheriff has assumed responsibility for operation, maintenance, administrative, medical, and feeding and keeping of prisoners expenditures of the jail. This agreement has been extended through December 31, 2011.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 19. Excess of Expenditures Over Budget**

During the year ended June 30, 2011, the General Fund had expenditures, excluding other financing uses, of \$45,232,959, which exceeded budgeted expenditures of \$43,725,918, resulting in an unfavorable variance of \$1,507,041. During the year ended June 30, 2011, the Jail Special Revenue Fund had expenditures, excluding other financing uses, of \$17,586,773, which exceeded budgeted expenditures of \$17,144,575, resulting in an unfavorable variance of \$442,198.

**Note 20. Interfund Transactions**

Transfers between funds for the year ended June 30, 2011, are as follows:

	Transfers In	Transfers Out
General Fund	\$ -	\$ 1,980,000
Special Revenue Fund	430,000	-
Capital Projects Fund	1,550,000	-
<b>Total</b>	<b>\$ 1,980,000</b>	<b>\$ 1,980,000</b>

Interfund transfers are used to fund the operating expenses of various funds.

**Note 21. Special and Extraordinary Items**

During the fiscal year ended June 30, 2011, the Sheriff disposed of \$560,773 in capital assets, net of accumulated depreciation, and received \$200,577 in total net sale proceeds from auctions. This resulted in a loss on disposal of assets of \$360,196.

On February 7, 2011, \$492,680 of the Community Disaster Loan, executed December 14, 2005, was forgiven by the U.S. Department of Homeland Security Federal Emergency Management Agency.

**Note 22. Material Subsequent Event**

On August 1, 2011, the Sheriff issued Limited Tax Revenue Bonds, Series 2011, in the amount of \$8,000,000, secured by excess revenue of the Sheriff. The bonds were issued for the purpose of making capital improvements, including the acquisition of furnishings and equipment, and paying the costs of issuance thereof.

Standard & Poor's Public Financing Ratings, a Division of The McGraw-Hill Companies, Inc. ("S&P") has assigned the Series 2011 Bonds a municipal debt rating of "AA" (stable).

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 23. Ex-Officio Tax Collector**

At June 30, 2011, the ad valorem portion of the Tax Collector Fund had cash and interest-bearing deposits on hand totaling \$13,089,458. The Tax Collector Fund had collected and uncollected ad valorem taxes by taxing body for the year ended June 30, 2011, as follows:

<b>Taxing Bodies</b>	<b>Ad Valorem Tax Collected</b>	<b>Ad Valorem Tax Uncollected</b>
Alimony 1	\$ 3,402,425	\$ 148,987
Alimony 2	599,898	20,500
Animal Shelter	1,296,009	53,473
Assessor	4,162,427	171,742
City of Covington	2,324,901	67,673
City of Mandeville	2,682,326	57,539
City of Slidell	5,799,002	142,690
Coroner's Millage	5,186,665	210,992
Council on Aging/STARC	2,591,993	106,945
Drainage District #2 Phs. 2	22,759	38
Drainage District #4	116,928	96
Drainage District #5 Gravity	143,931	4,352
Drainage District #5 Phs. 1	46,863	-
Drainage Maintenance	2,805,444	115,753
Fire District #1	12,422,194	385,758
Fire District #1 Parcel Fee	1,256,556	7,395
Fire District #2	2,514,309	45,424
Fire District #3	1,557,272	52,754
Fire District #4	11,825,550	395,960
Fire District #5	707,800	147,892
Fire District #6	385,279	36,214
Fire District #7	709,268	124,310
Fire District #8	948,946	48,129
Fire District #9	632,272	50,108
Fire District #11	700,180	44,843
Fire District #12	5,174,974	200,011
Fire District #13	1,454,500	112,819
Florida Parish Juvenile Ctr.	4,574,271	188,553
Law Enforcement	18,814,202	723,467
Library	8,202,885	338,473
Lighting District #1	182,267	6,164
Lighting District #4	257,627	10,302
Lighting District #5	15,433	139

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA**

**Notes to Financial Statements**

**Note 23. Ex-officio Tax Collector (Continued)**

<b>Taxing Bodies</b>	<b>Ad Valorem Tax Collected</b>	<b>Ad Valorem Tax Uncollected</b>
Lighting District #6	87,809	924
Lighting District #7	246,584	4,256
Lighting District #11	7,140	-
Lighting District #14	14,800	-
Lighting District #15	7,260	-
Lighting District #16	63,424	1,608
LTC Assmnt Fee Other	4,693	140
LTC Assmnt/Public Ser.	9,374	598
Mosquito District #2	7,193,584	296,849
Northshore Harbor Center	2,292,800	74,100
Parish Demolition Costs	-	-
Public Health	2,805,458	115,752
Recreation District #1 Special	132,737	5,058
Recreation District #1	4,325,439	144,816
Recreation District #2	176,375	13,351
Recreation District #4	352,301	11,909
Recreation District #6	210,638	19,801
Recreation District #7	94,820	16,611
Recreation District #11	205,800	10,423
Recreation District #12	384,943	80,434
Recreation District #14	1,492,097	51,904
Road Lighting District #9	68,096	28
Road Lighting District #10	1,550	50
School Bldg. Repair	5,247,674	213,780
School Construction Tax	5,797,146	235,860
School District #12	31,884,607	1,297,216
School Maint. Operations	7,383,517	300,631
School Operation & Maint.	54,108,023	2,204,882
Slidell Hospital District	3,620,128	145,027
Sub-Drainage District #1	82,500	1,080
Sub-Drainage District #2	121,250	-
Sub-Drainage District #3 of Gravity	59,600	200
TBRLAND Fire Protection	17,206	-
Water District #2	105,284	3,443
<b>Total</b>	<b>\$ 232,122,013</b>	<b>\$ 9,270,226</b>

The majority of uncollected taxes consist of bankruptcy, adjudications, moveable and immovable property. The Sheriff has hired an outside firm to collect outstanding ad valorem taxes.

**REQUIRED SUPPLEMENTAL INFORMATION (PART II)**

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Schedule of Revenues, Expenditures and  
Change in Fund Balance - Budget and Actual  
General Fund  
For the Year Ended June 30, 2011**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Ad Valorem Taxes	\$ 17,351,776	\$ 17,776,173	\$ 17,802,904	\$ 26,731
Sales Taxes	8,500,000	9,154,222	9,296,271	142,049
<b>Intergovernmental Revenues</b>				
Federal Grants	58,722	1,136,910	1,280,875	143,965
Intergovernmental Agreement - 911 District	400,000	400,000	400,000	-
State Revenue Sharing	400,000	470,856	470,856	-
State Supplemental Pay	2,045,564	2,083,590	2,106,641	23,051
Other Intergovernmental Revenues	-	-	782,477	782,477
<b>Fees, Charges and Commissions for Services</b>				
Commissions				
Sales Tax	1,900,000	2,083,785	2,090,531	6,746
Other	731,000	1,202,116	1,243,814	41,698
Civil Fees	2,850,000	3,872,958	4,116,066	243,108
Criminal Fees	1,063,000	1,111,688	1,111,466	(222)
Keeping of Prisoners	1,687,000	2,457,717	2,906,593	448,876
Tax Research and Other Services	385,000	577,070	666,781	89,711
Salary Reimbursements	2,030,283	2,320,598	2,324,979	4,381
Interest Earnings	40,000	27,803	35,694	7,891
Other Revenues	593,500	1,216,607	753,427	(463,180)
<b>Total Revenues</b>	<b>40,035,845</b>	<b>45,892,093</b>	<b>47,369,375</b>	<b>1,497,282</b>
<b>Expenditures</b>				
<b>Public Safety</b>				
Personnel Services	23,271,579	22,900,311	23,108,454	(208,143)
Payroll Benefits	7,148,566	6,990,116	7,162,257	(172,141)
Operating Expenditures	4,781,073	4,803,528	5,233,465	(429,937)
Professional Fees	1,689,118	2,634,358	2,677,652	(43,294)
Materials and Supplies	1,181,767	1,446,826	1,585,200	(138,374)
Travel and Education	345,030	326,906	310,395	16,511
Insurance	659,350	1,383,158	1,794,607	(411,449)
<b>Debt Service</b>				
Principal	696,679	696,679	665,000	31,679
Interest	-	-	31,679	(31,679)
Capital Outlays	146,361	2,544,036	2,664,250	(120,214)
<b>Total Expenditures</b>	<b>39,919,523</b>	<b>43,725,918</b>	<b>45,232,959</b>	<b>(1,507,041)</b>
<b>Excess (Deficiency) of Revenues Over Expenditures</b>	<b>116,322</b>	<b>2,166,175</b>	<b>2,156,416</b>	<b>(9,759)</b>
<b>Other Financing Sources (Uses)</b>				
Operating Transfers In	-	-	-	-
Operating Transfers Out	-	(2,150,000)	(1,980,000)	170,000
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(2,150,000)</b>	<b>(1,980,000)</b>	<b>170,000</b>
<b>Change in Fund Balance</b>	<b>\$ 116,322</b>	<b>\$ 16,175</b>	<b>176,416</b>	<b>\$ 160,241</b>
<b>Fund Balance, Beginning of Year</b>			<b>9,855,764</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 10,032,180</b>	

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Schedule of Revenues, Expenditures and  
Change in Fund Balance - Budget and Actual  
Jail Special Revenue Fund  
For the Year Ended June 30, 2011**

	Budget		Actual	Variance with Final Budget Favorable (Unfavorable)
	Original	Final		
<b>Revenues</b>				
Intergovernmental Revenues				
Transfer from St. Tammany Parish Council	\$ 8,500,000	\$ 9,153,949	\$ 9,296,066	\$ 142,117
Federal Grants	150,000	150,000	156,501	6,501
State Supplemental Pay	317,932	333,660	330,289	(3,371)
Other Intergovernmental Revenues	-	-	34,614	34,614
Fees, Charges and Commissions for Services				
Other Commissions	699,000	621,611	641,024	19,413
Keeping of Prisoners	6,546,328	6,211,469	6,444,158	232,689
Salary Reimbursements	60,000	69,303	72,438	3,135
Other Revenues	190,000	271,601	78,576	(193,025)
<b>Total Revenues</b>	<b>16,463,260</b>	<b>16,811,593</b>	<b>17,053,666</b>	<b>242,073</b>
<b>Expenditures</b>				
Public Safety				
Personnel Services	8,530,967	8,298,802	8,395,091	(96,289)
Payroll Benefits	2,310,926	2,208,148	2,266,292	(58,144)
Operating Expenditures	3,482,514	3,529,188	3,555,111	(25,923)
Professional Fees	141,500	257,084	274,353	(17,269)
Materials and Supplies	455,717	450,018	441,337	8,681
Travel and Education	85,500	72,173	77,180	(5,007)
Insurance	340,000	480,481	717,630	(237,149)
Debt Service				
Transfer to St. Tammany Parish Council	1,522,250	1,522,250	1,522,250	-
Capital Outlays	3,000	326,431	337,529	(11,098)
<b>Total Expenditures</b>	<b>16,872,374</b>	<b>17,144,575</b>	<b>17,586,773</b>	<b>(442,198)</b>
<b>Deficiency of Revenues Over Expenditures</b>	<b>(409,114)</b>	<b>(332,982)</b>	<b>(533,107)</b>	<b>(200,125)</b>
<b>Other Financing Sources</b>				
Operating Transfers In	-	350,000	430,000	80,000
Operating Transfers Out	-	-	-	-
<b>Total Other Financing Sources</b>	<b>-</b>	<b>350,000</b>	<b>430,000</b>	<b>80,000</b>
<b>Change in Fund Balance</b>	<b>\$ (409,114)</b>	<b>\$ 17,018</b>	<b>(103,107)</b>	<b>\$ (120,125)</b>
<b>Fund Balance, Beginning of Year</b>			<b>2,582,259</b>	
<b>Fund Balance, End of Year</b>			<b>\$ 2,479,152</b>	

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS**



**ST. TAMMANY PARISH SHERIFF**  
**ST. TAMMANY PARISH, LOUISIANA**  
**Fund Descriptions**  
**Non-Major Governmental Funds**  
**June 30, 2011**

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**Commissary Special Revenue Fund**

The Commissary Special Revenue Fund accounts for the proceeds of sales of various goods to inmates of the Parish jail. Expenditures of the fund are for purchases of goods, maintenance of the jail, and for the betterment of the inmates.

**Crime Lab Special Revenue Fund**

The Crime Lab Special Revenue Fund accounts for the proceeds of criminal fees dedicated to the crime lab. Expenditures of the fund are for the operation of the crime lab.

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Combining Balance Sheet  
Non-Major Governmental Funds  
June 30, 2011**

	<b>Commissary Special Revenue Fund</b>	<b>Crime Lab Special Revenue Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Assets</b>			
Cash	\$ 832,656	\$ 1,201,268	\$ 2,033,924
<b>Total Assets</b>	<u>\$ 832,656</u>	<u>\$ 1,201,268</u>	<u>\$ 2,033,924</u>
<b>Liabilities</b>			
Accounts Payable	\$ 60,354	\$ -	\$ 60,354
Accrued Liabilities	690	-	690
<b>Total Liabilities</b>	<u>61,044</u>	<u>-</u>	<u>61,044</u>
<b>Fund Balances</b>			
Restricted, Reported in Special Revenue Fund	-	1,201,268	1,201,268
Committed	771,612	-	771,612
<b>Total Fund Balances</b>	<u>771,612</u>	<u>1,201,268</u>	<u>1,972,880</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 832,656</u>	<u>\$ 1,201,268</u>	<u>\$ 2,033,924</u>

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Combining Statement of Revenues, Expenditures  
and Change in Fund Balances  
Non-Major Governmental Funds  
For the Year Ended June 30, 2011**

	<b>Commissary Special Revenue Fund</b>	<b>Crime Lab Special Revenue Fund</b>	<b>Total Non-Major Governmental Funds</b>
<b>Revenues</b>			
Intergovernmental Revenues			
State Supplemental	\$ 5,999	\$ -	\$ 5,999
Fees, Charges and Commissions for Services			
Criminal Fees	-	276,477	276,477
Sales to Inmates	766,332	-	766,332
Interest Earnings	-	1,259	1,259
<b>Total Revenues</b>	<b>772,331</b>	<b>277,736</b>	<b>1,050,067</b>
<b>Expenditures</b>			
Public Safety			
Personnel Services	73,419	-	73,419
Payroll Benefits	21,373	-	21,373
Materials and Supplies	493,423	-	493,423
Operating Expenses	1,760	-	1,760
Capital Outlays	5,253	-	5,253
<b>Total Expenditures</b>	<b>595,228</b>	<b>-</b>	<b>595,228</b>
<b>Net Change in Fund Balances</b>	<b>177,103</b>	<b>277,736</b>	<b>454,839</b>
<b>Fund Balances, Beginning of Year</b>	<b>594,509</b>	<b>923,532</b>	<b>1,518,041</b>
<b>Fund Balances, End of Year</b>	<b>\$ 771,612</b>	<b>\$ 1,201,268</b>	<b>\$ 1,972,880</b>

**COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS  
FIDUCIARY FUND - AGENCY FUNDS**

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Fund Descriptions  
Fiduciary Fund - Agency Funds  
June 30, 2011**

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**Sheriff's Agency Fund**

The Sheriff's Agency Fund accounts for funds held in connection with civil suits, Sheriff's sales and garnishments. It also accounts for the collections of bonds, probation fines and disbursement of these collections, in accordance with applicable law.

**Tax Collector Agency Fund**

Article V, Section 27 of the Louisiana Constitution of 1974, provides that the Sheriff will serve as the collector of state, parish and local taxes and fees. The Tax Collector Agency Fund accounts for the collection and distribution of these taxes and fees to the appropriate taxing bodies.

**Jail Agency Fund**

The Jail Agency Fund accounts for individual prisoner account balances. Funds are deposited in the name of the prisoner and payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentence. The Jail Agency Fund also accounts for collection and disbursement of certain fees charged to inmates upon incarceration.

**Transitional Work Program Agency Fund**

The Transitional Work Program Agency Fund accounts for individual prisoner account balances that are in the work release program. Funds are deposited in the name of the prisoner and payable upon request. Balances in the individual prisoner accounts are returned upon completion of their jail sentence.

**Fines and Cost Agency Fund**

The Fines and Cost Agency Fund accounts for the collection and settlement of fines and costs that are received by the courts, in accordance with applicable law.

ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Combining Statement of Net Assets  
Fiduciary Fund - Agency Funds  
June 30, 2011

	Agency Funds					Total
	Sheriff's Fund	Tax Collector Fund	Jail Agency Fund	Transitional Work Program Agency Fund	Fines and Cost Fund	
<b>Assets</b>						
Cash and Interest-Bearing						
Deposits - Ad Valorem	\$ -	\$ 13,089,458	\$ -	\$ -	\$ -	\$ 13,089,458
Deposits - Other Taxes	3,814,252	13,960,381	316,240	247,286	589,950	18,928,109
<b>Total Assets</b>	<b>\$ 3,814,252</b>	<b>\$ 27,049,839</b>	<b>\$ 316,240</b>	<b>\$ 247,286</b>	<b>\$ 589,950</b>	<b>\$ 32,017,567</b>
<b>Liabilities</b>						
Due to Taxing Bodies and						
Others	\$ 3,814,252	\$ 27,049,839	\$ 316,240	\$ 247,286	\$ 589,950	\$ 32,017,567
<b>Total Liabilities</b>	<b>\$ 3,814,252</b>	<b>\$ 27,049,839</b>	<b>\$ 316,240</b>	<b>\$ 247,286</b>	<b>\$ 589,950</b>	<b>\$ 32,017,567</b>

**ST. TAMMANY PARISH SHERIFF**  
**ST. TAMMANY PARISH, LOUISIANA**  
Combining Schedule of Changes in Balances  
Due to Taxing Bodies and Others  
Fiduciary Fund - Agency Funds  
For the Year Ended June 30, 2011

	Agency Funds					Total
	Sheriff's Fund	Tax Collector Fund	Jail Agency Fund	Transitional Work Program Agency Fund	Fines and Cost Fund	
Balances, Beginning of Year	\$ 4,012,651	\$ 24,803,535	\$ 176,383	\$ 264,399	\$ 801,898	\$ 30,058,866
<b>Additions</b>						
Deposits						
Sheriff's Sales	11,987,341	-	-	-	-	11,987,341
Bonds	784,076	-	-	-	-	784,076
Fines and Costs	-	-	-	-	6,321,322	6,321,322
Other Deposits	-	-	869,331	1,614,048	-	2,483,379
Taxes, Fees, etc., Paid to Tax Collector	-	429,520,655	-	-	-	429,520,655
Interest	-	100,776	3,179	-	-	103,955
<b>Total Additions</b>	12,771,417	429,621,431	872,510	1,614,048	6,321,322	451,200,728
<b>Subtotal</b>	16,784,068	454,424,966	1,048,893	1,878,447	7,123,220	481,259,594
<b>Reductions</b>						
Taxes, Fees, etc., Distributed to Taxing Bodies and Others	-	427,375,127	-	-	-	427,375,127
Deposits Settled to:						
Sheriff's General Fund	3,648,632	-	334,706	981,280	830,973	5,795,591
Clerk of Court	881,132	-	-	-	537,888	1,419,020
Litigants and Appraisers	1,490,786	-	-	-	-	1,490,786
Others	663,660	-	54,295	-	787,791	1,505,746
Advertisements	355,732	-	-	-	-	355,732
District Attorney	7,813	-	121,851	-	961,663	1,091,327
Parish Council	-	-	-	-	2,325,325	2,325,325
Judicial Expense Fund	-	-	143,779	-	291,271	435,050
Indigent Defender Board	-	-	63,162	-	782,782	845,944
Refunds to Individuals	5,922,061	-	14,860	649,881	15,577	6,602,379
<b>Total Reductions</b>	12,969,816	427,375,127	732,653	1,631,161	6,533,270	449,242,027
<b>Balances, End of Year</b>	\$ 3,814,252	\$ 27,049,839	\$ 316,240	\$ 247,286	\$ 589,950	\$ 32,017,567

ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Ad Valorem Tax Affidavit  
For the Year Ended June 30, 2011

STATE OF LOUISIANA, PARISH OF ST. TAMMANY

AFFIDAVIT

R. Jack Strain, Jr., Sheriff of St. Tammany Parish

BEFORE ME, the undersigned authority, personally came and appeared, R. Jack Strain, Jr., the sheriff of St. Tammany Parish, State of Louisiana, who after being duly sworn, deposed and said:

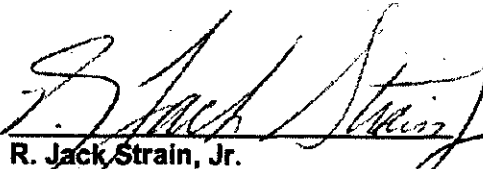
The following information is true and correct:

\$13,089,458 is the amount of cash on hand in the Ad Valorem account on June 30, 2011.

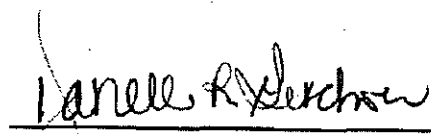
He further deposed and said:

All itemized statements of the amount of taxes collected for tax year 2011, by taxing authority, are true and correct.

All itemized statements of all taxes assessed and uncollected, which indicate the reasons for the failure to collect, by taxing authority, are true and correct.

  
R. Jack Strain, Jr.  
Sheriff of St. Tammany Parish

SWORN to and subscribed before me, Notary, this 29<sup>th</sup> day of December 2011, in my office in Slidell, Louisiana.

  
(Signature)

Darrell R. Beecham (Print), # 069572  
Notary Public

expires at death (Commission)



**REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON  
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE  
WITH GOVERNMENT AUDITING STANDARDS**

The Honorable Rodney J. Strain, Jr.  
St. Tammany Parish Sheriff  
St. Tammany Parish, Louisiana

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the St. Tammany Parish Sheriff (the Sheriff), as of and for the year ended June 30, 2011, which collectively comprise the St. Tammany Parish Sheriff's basic financial statements and have issued our report thereon dated December 12, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the St. Tammany Parish Sheriff's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the St. Tammany Parish Sheriff's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Parish Sheriff's internal control over financial reporting.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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The McGladrey Alliance is a member affiliation of independent accounting and consulting firms. The McGladrey Alliance member firms maintain their name, autonomy, and independence and are responsible for their own client arrangements, delivery of services and maintenance of client relationships.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the St. Tammany Parish Sheriff's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

December 12, 2011

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH  
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON  
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE  
IN ACCORDANCE WITH OMB CIRCULAR A-133**

The Honorable Rodney J. Strain, Jr.  
St. Tammany Parish Sheriff  
St. Tammany Parish, Louisiana

**Compliance**

We have audited the St. Tammany Parish Sheriff's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 *Compliance Supplement* that could have a direct and material effect on each of the St. Tammany Parish Sheriff's major federal programs for the year ended June 30, 2011. The St. Tammany Parish Sheriff's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the St. Tammany Parish Sheriff's management. Our responsibility is to express an opinion on the St. Tammany Parish Sheriff's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the St. Tammany Parish Sheriff's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the St. Tammany Parish Sheriff's compliance with those requirements.

In our opinion the St. Tammany Parish Sheriff complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

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### Internal Control Over Compliance

The management of the St. Tammany Parish Sheriff is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the St. Tammany Parish Sheriff's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the St. Tammany Parish Sheriff's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the management, the Louisiana Legislative Auditor, and federal awarding agencies and pass-through entities and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Louisiana Legislative Auditor as a public document.



A Professional Accounting Corporation

December 12, 2011

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Schedule of Expenditures of Federal Awards  
For the Year Ended June 30, 2011**

<b>Federal Grantor/Pass-Through Grantor Program Title</b>	<b>CFDA Number</b>	<b>Expenditures</b>
<b>United States Department of Justice</b>		
Passed through the Metropolitan Commission on Law Enforcement		
Edward Byrne Memorial Justice Assistance Grant Program	16.738	\$ 88,281
Federal Asset Forfeiture Program	16.000	96,242
Paul Coverdell Forensic Sciences Improvement Grant Program	16.742	37,282
Recovery Act - Edward Byrne Memorial Justice Assistant Grant	16.804	16,380
Edward Byrne Memorial Formula Grant Program	16.759	54,774
<b>Total United States Department of Justice</b>		<b>292,959</b>
<b>United States Department of Transportation</b>		
Passed through the State of Louisiana		
State and Community Highway Safety	20.600	20,489
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	82,929
<b>Total United States Department of Transportation</b>		<b>103,418</b>
<b>United States Department of Homeland Security</b>		
Homeland Security Grant Program	97.067	61,064
Buffer Zone Protection Program (BZPP)	97.078	97,000
<b>Total United States Department of Homeland Security</b>		<b>158,064</b>
<b>United States Department of Agriculture</b>		
Passed through the Louisiana Department of Education		
School Lunch/Breakfast Program	10.553	156,501
<b>United States Drug Enforcement Administration</b>		
Overtime Payments	N/A	65,297
<b>Total</b>		<b>\$ 776,239</b>

**Notes to the Schedule of Expenditures of Federal Awards**

A. The Schedule of Expenditures of Federal Awards was prepared on the accrual basis of accounting.

B. The following is a reconciliation of total federal grant expenditures to the federal grant revenues reported on page 16 of the financial statements:

Total Federal Expenditures	\$ 776,239
Asset Forfeiture Expenditures for which no Revenue was Received in the Current Year	(96,242)
Revenues Related to Expenditures in Prior Years	757,379
<b>Total</b>	<b>\$ 1,437,376</b>

**ST. TAMMANY PARISH SHERIFF  
ST. TAMMANY PARISH, LOUISIANA  
Schedule of Findings and Questioned Costs  
For the Year Ended June 30, 2011**

**Summary of Audit Results**

**Financial Statements**

- |   |             |
|---|-------------|
| 1. Type of auditor's report   | Unqualified |
| 2. Compliance and internal control over financial reporting                     |             |
| a. Material weaknesses identified   | None        |
| b. Significant deficiencies identified not considered to be material weaknesses | None        |
| c. Noncompliance noted  | None        |

**Federal Awards**

- |  |             |
|--|-------------|
| 3. Internal control over major programs  |             |
| a. Material weaknesses identified  | None        |
| b. Significant deficiencies identified not considered to be material weaknesses          | None        |
| 4. Type of auditor's report issued on compliance for major programs                      | Unqualified |
| 5. Audit findings disclosed that are required in accordance with OMB A-133, Section 510a | None        |
| 6. Identification of major programs  |             |
| 10.553 - School Lunch/Breakfast Program  |             |
| 16.738 - Edward Byrne Memorial JAG Program   |             |
| 7. Dollar threshold used to distinguish between Type A and B programs                    | \$300,000   |
| 8. Auditee qualified as a low-risk auditee under OMB A-133, Section 530                  | Yes         |

**Prior Year Findings**

None